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UNICEF Strategic Plan: updated financial estimates, 2016-2019

Summary

A four-year financial framework forms part of the UNICEF Strategic Plan, which is presented, usually for a period of four years, in accordance with Executive Board decisions 2000/3 and 2013/20. The financial plan is reviewed and revised annually on a rolling basis. The current Strategic Plan covers the period 2014-2017.

Total revenue is forecast to be $4.8 billion in 2016, a decline of 3 per cent from 2015. Revenue is projected to decrease a further 1 per cent in 2017 compared with 2016. In 2018 and 2019, revenue is expected to resume gradual growth. Total expenditures in 2016 are estimated at $5.2 billion, exceeding forecast revenue by $357 million. The deficit will be financed from cash balances. The planned expenditures will reduce cash balances, but UNICEF will continue to meet a prudent liquidity requirement.

This financial framework of revenue and expenditure estimates provides a basis for determining the level of regular resources programme submissions to be approved in 2017. Allocations of regular resources for country programmes during the period under review will be managed through the modified system for allocation of regular resources for programmes, as revised by the Executive Board in its decisions 2008/15 and 2013/20.

UNICEF recommends that the Executive Board approve the framework of planned financial estimates for the period 2016-2019 and approve the preparation of programme expenditure submissions to the Executive Board of up to $1,465 million from regular resources in 2017, subject to the availability of resources and the continued validity of these planned financial estimates. A draft decision is included in section III.

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Introduction

1. A four-year financial plan forms part of the UNICEF Strategic Plan in accordance with Executive Board decisions 2000/3 and 2013/20 and is reviewed and revised annually on a rolling basis.

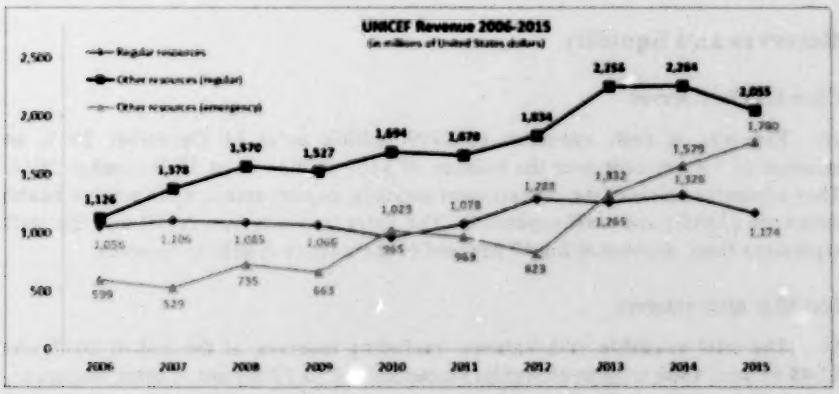
2. The financial plan is preceded by a review of the financial performance of UNICEF in the previous year, with highlights of the financial trends that evolved during a recent multi-year period. The purpose of the review is to provide key high-level information on revenue, expenditure and liquidity as a baseline to the financial plan.

I. Financial review, 2015

A. Revenue

3. Total revenue decreased by 3 per cent in 2015, to $5,010 million, which to a large extent was impacted by volatility in the currency markets. The strengthening United States dollar had a negative impact on the absolute levels of revenue recorded on non-United States-dollar-based contributions. In 2015, due to the stronger United States dollar, the impact on private-sector contributions was approximately 15 per cent less United States dollar revenue recorded. The main source of revenue continued to be voluntary contributions from Governments, private organizations and individuals, which accounted for 98 per cent of total revenue. The remaining 2 per cent of the revenue was generated by interest of $35 million, procurement services for partners of $42 million, miscellaneous activities of $14 million and royalties and sales of greeting cards and products of $9 million.

4. Regular resources revenue (non-earmarked or "core" funds) in 2015 was $1.17 billion, a decrease of 11 per cent as compared with 2014 ($1.33 billion). Other resources (regular) (earmarked funds) contributions were $2.06 billion and other resources (emergency) were $1.78 billion. Increases in other resources (emergency) funds of $200 million were offset by decreases in other resources (regular) of $210 million, bringing the overall level of other resources in line with 2014 levels.



5. The increase in other resources (emergency) revenue of 13 per cent over 2014 is attributed primarily to funding received for support to Syrian refugees and Ebola response, as well as to Iraq, Nepal, South Sudan, the Syrian Arab Republic and Yemen. Core resources accounted for 23 per cent of total revenue in 2015 compared with 26 per cent in 2014.

6. In 2015, a total of 135 Governments contributed to UNICEF resources. Total public-sector contributions (from Governments, intergovernmental organizations and inter-organizational arrangements), at $3,455 million, were 29 per cent more than planned, but 6 per cent less than in 2014. Private-sector contributions (from National Committees, individual donors, non-governmental organizations and foundations), at $1,457 million, were 12 per cent more than planned and 4 per cent more than in 2014.

B. Expenditure

7. Total expenditures amounted to $5.2 billion in 2015, an increase of 5 per cent over 2014. Programme and development effectiveness represented 91 per cent of total UNICEF expenditure in 2015 compared with 90 per cent in 2014. Further detailed analysis of 2015 financial performance is provided in chapter IV of the UNICEF Financial Statements for 2015 as well as in the annual report of the Executive Director of UNICEF, presented at the 2016 annual session of the Executive Board.

C. Trust funds

8. Trust funds are established mainly for services carried out on behalf of Governments and other organizations for the procurement of vaccines and other commodities essential for the well-being of children.

9. Procurement services receipts tripled in the past ten years, from $593 million in 2006 to $1,789 million in 2015. This increase reflects the evolving opportunities that UNICEF has to shape the global market for vaccines and other child-related products and to achieve savings for partners and UNICEF.

D. Reserves and liquidity

Cash held in reserves

10. Reserves in cash amounted to $499 million as at 31 December 2015, an increase of 1.6 per cent over the balance of $467 million as at 31 December 2014. They comprise reserves for procurement services, capital assets, after-service health insurance (ASHI) and staff separation. The latter two reserves, ASHI and the staff separation fund, accounted for 97 per cent of the total cash held in reserves.

Liquidity after reserves

11. The total available cash balance, excluding reserves, at the end of 2015 was $2.48 billion: $560 million of regular resources and $1.92 billion of other resources.

12. Contributions for both other resources and trust funds are normally received before implementation begins and are governed by multi-year agreements.

13. In 2015, UNICEF met the requirement of a prudent level of liquidity for regular resources, defined as the equivalent of expenditure for three to six months, or about $300 million to $600 million. This prudent guideline concurs with the general practice of non-profit organizations, including the United Nations community.

II. Planned financial estimates for the period 2016-2019

14. This section presents the projections of UNICEF financial resources for the period 2016-2019. It comprises revenue and expenditure projections, and the resulting cash balances for regular resources and other resources. Estimates for trust funds are also included. In line with decision 2013/20, the presentation of the planned financial estimates has been aligned with the format of the integrated resource plan as presented in the UNICEF integrated budget for 2014-2017 and presents the planned use of resources grouped by the harmonized cost classification categories.

15. The financial projections provide a financial framework for the yearly phasing of estimated regular resources expenditure. In particular, it provides a financial context for future programme submissions to be made to the Executive Board.

A. Revenue

16. The present financial plan has been developed during a period of economic uncertainty. While children's needs increase during periods of economic hardship, the realities of fiscal austerity and high unemployment in some donor countries dictate prudent financial projections. Despite the ongoing difficult economic climate, UNICEF continues to be a partner of choice for donors.

17. Other resources revenue is projected to decline by 8 per cent in 2016 compared with 2015. In 2017, other resources revenue is estimated to decline by another 2 per cent. In 2018 and 2019 other resources revenue will start to slightly increase year by year at a rate of 1 per cent. One of the main drivers for the other resources revenue decline is related to other resources (emergency) revenue, which is projected to decrease in 2016 by 26 per cent compared with 2015, despite the increased humanitarian funding requirement of $3.3 billion by December 2015. Revenue estimates are provided in table 1 (see annex).

18. The share of private contributions in UNICEF total revenue is expected to increase in the medium term, from 29 per cent in 2015 to 34 per cent in 2019.

19. Regular resources revenue is targeted to increase by 11 per cent in 2016 by focusing on growing revenue from pledge donors and expanding legacy funding.

20. Regular resources revenue is targeted to maintain a modest growth of between 1 and 2 per cent per year over the period 2017-2019, primarily resulting from growth in private-sector fundraising. Estimates of regular resources revenue are provided in table 1.

B. Expenditure

21. Despite the projected decline in total revenue in 2016, total expenditure is expected to increase by 1 per cent compared with 2015. Smooth implementation of ongoing programmes will be facilitated by financing the deficit with cash balances. If, as forecasted, total revenue declines further in 2017, total expenditure will be adjusted downward in 2017, but will still be higher than revenue.

22. As shown in table 2 (see annex), total estimated annual expenditure during the planning period will exceed the projected annual revenue. The resulting deficit will be funded from the balance accumulated in prior years, when actual revenue was greater than planned.

Regular resources expenditure

23. The main components of estimated regular resources expenditure for the period 2016-2019 are: (a) development activities comprising (i) programmes and (ii) development effectiveness, and accounting for 77 per cent of the total use of regular resources; (b) management activities accounting for 11 per cent; and (c) special-purpose activities, including private-sector fundraising, accounting for 12 per cent.

Programmes

24. As noted in the review of revenue performance, overall regular resources to UNICEF decreased by 11 per cent in 2015. Public-sector regular resources contributions declined by 17 per cent, while private-sector regular resources contributions declined by 7 per cent. Both are slightly offset by a 3 per cent increase in other regular resources revenue. Contributions from both the public and private sectors were negatively impacted by exchange-rate variations. Regular resources and thematic funds directly support the achievement of programme results by enabling longer-term planning and lowering transaction costs. It is critical for UNICEF and its partners to redouble efforts to ensure a flexible and predictable funding base.

25. If the conservative revenue projections under this plan are realized, UNICEF intends to maintain the current 2016 annual allocation of regular resources for programme assistance of $935 million for the years between 2017 and 2019. Allocations of regular resources to country programmes will be managed according to the modified system for allocation, approved by the Executive Board in its decisions 2008/15 and 2013/20, which favours countries in greatest need. Table 4 (see annex) indicates how regular resources expenditures on approved, new and future proposals for programmes will be phased each year from 2016 through 2019.

26. At the beginning of 2016, regular resource expenditures for ongoing country programmes were estimated at $1.79 billion. The amount of regular resources for programmes proposed to the Executive Board for approval in 2016 totals $1.32 billion for programme cycles that start in 2017.

27. For 2017, the estimated amount of regular resources for programme proposals to be approved by the Executive Board is $1.47 billion for programme cycles that start in 2018. The level of planned programme expenditures will be continuously reviewed and adjusted on the basis of updated information on projected revenue.

Institutional budget

28. At its second regular session of 2013, the Executive Board approved a four-year institutional budget of $2.10 billion for the period 2014-2017 to support the UNICEF Strategic Plan, 2014-2017. A report on the midterm review of the integrated budget, 2014-2017 was presented at the annual session of 2016 and approved by the Executive Board to be maintained at the initially approved level of $2.10 billion. The budget for development effectiveness, United Nations development coordination, management and special purpose (capital investments) costs is referred to as the institutional budget. It is funded from regular resources, other resources and cost recovery.

Cost recovery

29. For the period 2014-2017, UNICEF has started to apply the new cost-recovery methodology and rates as approved in decision 2013/5. In line with the approved cost-recovery methodology, cost recovery from other resources will fund the management and special purpose (capital investment) activities of the institutional budget. The proposed use of cost recovery is reflected in table 5.

30. The institutional budget for the period 2014-2017, as originally approved in 2013, was estimated to be funded 55 per cent from regular resources, 39 per cent from cost recovery and 6 per cent directly from other resources. In 2015, the actual institutional budget funding split was 39 per cent from regular resources, 55 per cent from cost recovery and 6 per cent from other resources. Actual cost recovery in 2015 was $257 million compared with a planned amount of $247 million. The additional cost recovery was used to fund the institutional budget ("management" and "special purpose – capital investment" cost-classification categories), reducing the amount of regular resources used to fund the institutional budget, while remaining within the overall approved institutional budget (see table 5, annex). This trend is expected to continue for the remainder of the approved integrated budget period (2016-2017) and into the period 2018-2019.

Other resources expenditure

31. The projections of programme assistance expenditure funded by other resources, presented in table 5, reflect efforts to accelerate implementation. Actual other resources expenditure in 2015 was $123 million higher than revenue, which is an improvement compared with 2014, when actual other resources expenditure was $188 million lower than revenue. Other resources expenditure in 2016 is projected to be 8 per cent greater than other resources revenue, and this trend is expected to accelerate further in the following years, with expenditure up to 11 per cent greater than other resources revenue. The revenue-expenditure gap is financed from the balance of other resources carried over from previous years.

C. Funded reserves

32. The two largest funded reserves are for post-service staff liabilities. These reserves are: the separation fund for repatriation costs and accrued annual leave, and the ASHI fund. The total amount of funding for these reserves is projected to increase from $499 million in 2015 to $608 million in 2019, as shown in table 3 (see annex).

33. Following discussions with the Executive Board in recent years and with the implementation of the International Public Sector Accounting Standards, which require the full reporting of after-service staff liabilities in corporate financial statements, UNICEF has developed and is implementing a robust funding strategy for these liabilities. The strategy will ensure that, over time, the reserve for these liabilities is accumulated from the funding sources to which post costs are correctly attributed. UNICEF will continue to monitor the effectiveness of and make appropriate adjustments to the strategy as financial variables change.

D. Cash balance

34. The regular resources cash balance at year end 2016 is projected to be $490 million, which is equivalent to four or five months of disbursements. The regular resources cash balance is used as working capital to mitigate the liquidity risk related to fluctuations in cash inflows. Unlike other resources, which are allocated to programmes when cash is received from a donor, regular resources allocations for country programmes are made in November for the following year, before regular resources funds are received. It is therefore critical to have working capital to start programme implementation while awaiting cash from donors. The best practice among development organizations is to maintain working capital sufficient for three to six months of expenditures. In the case of UNICEF, those levels would translate to between $300 million and $600 million. The projected working capital falls within that range, reaching $307 million by 2019, as indicated in table 3.

35. As part of the efforts to accelerate programme implementation, other resources expenditure is projected to be greater than revenue for every year of the planning period 2016-2019. Therefore, the other resources available balance is projected to decrease from $1.92 billion at year end 2015 to $490 million in 2019.

III. Draft decision

36. UNICEF recommends that the Executive Board adopt the following draft decision:

The Executive Board

1. *Takes note* of the planned financial estimates for the period 2016-2019 as contained in document E/ICEF/2016/AB/L.6 as a flexible framework for supporting UNICEF programmes;

2. *Approves* the integrated resources framework of planned financial estimates for the period 2016-2019 and approves the preparation of programme expenditure submissions to the Executive Board of up to $1.47 billion from regular resources in 2017, subject to the availability of resources and the continued validity of these planned financial estimates;

3. *Requests* UNICEF to provide annual updates to the Executive Board on the progress of funding its reserves for staff liabilities.

Annex

Planned financial estimates tables[1]

1. UNICEF revenue estimates
2. Integrated resources plan: regular and other resources
3. UNICEF planned financial estimates: regular resources
4. Regular resources: yearly phasing of estimated expenditures for programme
5. UNICEF planned financial estimates: other resources
6. UNICEF planned financial estimates: trust funds (procurement services activities)

[1] The totals in the tables may not add up exactly due to rounding.

Table 1
UNICEF revenue estimates
(in millions of United States dollars)

				Plan		
	Plan 2015	*Actual 2015[a]*	*Estimate 2016*	*2017*	*2018*	*2019*
Regular resources						
Governments	561	546	542	530	529	530
Private sector	588	530	655	678	700	721
Other revenue	91	97	105	111	116	116
Total — regular resources	**1 240**	**1 174**	**1 302**	**1 318**	**1 345**	**1 367**
Growth percentage	(6)%	(11)%	11%	1%	2%	2%
Other resources						
Regular						
Governments	1 260	1 080	1 134	1 195	1 195	1 195
Private sector	759	713	826	806	846	871
Inter-organizational arrangements	221	262	268	226	211	211
Subtotal — programmes	**2 240**	**2 055**	**2 228**	**2 226**	**2 251**	**2 276**
Growth percentage	(1)%	(9)%	8%	(0)%	1%	1%
Emergencies						
Governments	839	1 396	1 049	983	987	987
Private sector	180	214	90	90	90	90
Inter-organizational arrangements	210	170	175	175	175	175
Subtotal — emergencies	**1 229**	**1 780**	**1 315**	**1 249**	**1 252**	**1 252**
Growth percentage	(22)%	13%	(26)%	(5)%	0%	0%
Total — other resources	**3 469**	**3 836**	**3 543**	**3 475**	**3 503**	**3 528**
Growth percentage	(10)%	(0)%	(8)%	(2)%	1%	1%
Total revenue	**4 709**	**5 010**	**4 845**	**4 793**	**4 848**	**4 895**
Growth percentage	(9)%	(3)%	(3)%	(1)%	1%	1%

[a] Actual growth percentage in 2015 is in comparison to 2014 actual.

Table 2
Integrated resource plan: regular resources and other resources
(in millions of United States dollars)

				Plan		
	Plan 2015	*Actual 2015*	*Estimate 2016*	*2017*	*2018*	*2019*
1. Resources available						
Opening balance	2 658	2 658	2 498	2 122	1 639	1 215
Revenue						
Contributions	4 618	4 913	4 740	4 682	4 732	4 779
Other income	91	97	105	111	116	116
Total revenue	4 709	5 010	4 845	4 793	4 848	4 895
Adjustment	(19)	(19)	(19)	(19)	(19)	(19)
Total available	**7 348**	**7 648**	**7 323**	**6 895**	**6 468**	**6 090**
2. Use of resources						
A. Development						
A.1 Programmes	4 319	4 546	4 439	4 438	4 477	4 514
Country	*4 145*	*4 395*	*4 259*	*4 256*	*4 294*	*4 332*
Global and regional	*174*	*150*	*179*	*182*	*182*	*182*
A.2 Development effectiveness	142	129	159	166	155	155
Subtotal	**4 461**	**4 675**	**4 598**	**4 604**	**4 632**	**4 669**
B. United Nations development coordination	**9**	**6**	**11**	**11**	**9**	**9**
C. Management	**370**	**312**	**385**	**429**	**389**	**389**
D. Special purpose						
D.1 Capital investments	14	22	11	11	14	14
D.2 Private-sector fundraising	101	97	147	151	160	162
D.3 Other	45	39	49	49	49	49
Subtotal	**160**	**158**	**208**	**212**	**224**	**225**
Institutional budget (A.2+B+C+D.1)	**535**	**469**	**567**	**617**	**568**	**568**
Integrated budget (A+B+C+D)	**5 000**	**5 150**	**5 202**	**5 256**	**5 254**	**5 293**
Closing balance of resources	**2 348**	**2 498**	**2 122**	**1 639**	**1 215**	**797**
Funded reserves						
After-service health insurance	410	411	430	450	470	490
Separation and termination liabilities	75	73	85	95	105	115
Field office accommodation	4	12	9	6	3	1
Procurement services	2	2	2	2	2	2
Total	**491**	**499**	**526**	**553**	**580**	**608**

Table 3
UNICEF planned financial estimates: regular resources
(in millions of United States dollars)

				Plan		
	Plan 2015	*Actual 2015*	*Estimate 2016*	*2017*	*2018*	*2019*
1. Resources available						
Opening balance	617	617	580	490	368	325
Revenue						
Contributions	1 149	1 077	1 197	1 207	1 229	1 251
Other income	91	97	105	111	116	116
Total revenue	1 240	1 174	1 302	1 318	1 345	1 367
Adjustment	(19)	(19)	(19)	(19)	(19)	(19)
Total available	**1 838**	**1 772**	**1 863**	**1 789**	**1 694**	**1 673**
2. Use of resources						
A. Development						
A.1 Programmes	937	874	935	935	935	935
Country	*892*	*830*	*890*	*890*	*890*	*890*
Global and regional	*45*	*44*	*45*	*45*	*45*	*45*
A.2 Development effectiveness	114	100	130	135	124	124
Subtotal	**1 051**	**974**	**1 066**	**1 070**	**1 059**	**1 059**
B. United Nations development coordination	**5**	**5**	**5**	**5**	**5**	**5**
C. Management	**132**	**72**	**142**	**186**	**145**	**142**
D. Special purpose						
D.1 Capital investments	5	5	5	5	5	5
D.2 Private sector fundraising	101	97	106	106	106	106
D.3 Other	45	39	49	49	49	49
Subtotal	**151**	**141**	**160**	**160**	**160**	**160**
Institutional budget (A.2+B+C+D.1)	**256**	**182**	**282**	**330**	**278**	**275**
Integrated budget (A+B+C+D)	**1 339**	**1 192**	**1 373**	**1 421**	**1 369**	**1 366**
Closing balance of resources	**499**	**580**	**490**	**368**	**325**	**307**
Funded reserves						
After-service health insurance	410	411	430	450	470	490
Separation and termination liabilities	75	73	85	95	105	115
Field office accommodation	4	12	9	6	3	1
Procurement services	2	2	2	2	2	2
Total	**491**	**499**	**526**	**553**	**580**	**608**

Table 4

Regular resources: yearly phasing of estimated expenditures for programmes

(in millions of United States dollars)

	2016	*2017*	*2018*	*2019*	*Beyond 2019*	*Total recommendations*
Programme						
1. Country programmes approved in prior years	791	528	235	158	76	1 788
2. New country programmes to be submitted to 2016 Executive Board sessions		263	263	263	526	1 315
3. New country programmes to be prepared for submission to 2017 Executive Board sessions			293	293	879	1 465
4. New country programmes to be prepared for submission to future Executive Board sessions				77	717	794
5. Amount set aside	62	62	62	62		
6. Estimated allocation of net revenue from sale of greeting cards in countries with UNICEF programmes	2	2	2	2		
Subtotal	**855**	**855**	**855**	**855**		
7. Additional emergency requirements	35	35	35	35		
Subtotal	**890**	**890**	**890**	**890**		
8. Global and regional programmes	45	45	45	45		
Total: programmes	**935**	**935**	**935**	**935**		

Table 5
UNICEF planned financial estimates: other resources
(in millions of United States dollars)

				Plan		
	Plan 2015	*Actual 2015*	*Estimate 2016*	*2017*	*2018*	*2019*
1. Resources available						
Opening balance	2 041	2 041	1 918	1 631	1 271	889
Revenue						
Contributions	3 469	3 836	3 543	3 475	3 503	3 528
Total revenue	3 469	3 836	3 543	3 475	3 503	3 528
Total available	**5 510**	**5 877**	**5 461**	**5 106**	**4 774**	**4 417**
2. Use of resources						
A. Development						
A.1 Programmes	3 383	3 672	3 503	3 503	3 541	3 579
Country	*3 253*	*3 566*	*3 369*	*3 366*	*3 404*	*3 442*
Global and regional	*129*	*107*	*134*	*137*	*137*	*137*
A.2 Development effectiveness	27	29	29	31	32	32
Subtotal	**3 410**	**3 701**	**3 532**	**3 534**	**3 573**	**3 611**
B. United Nations development coordination	**4**	**1**	**6**	**6**	**4**	**4**
C. Management[a]	**238**	**240**	**243**	**244**	**244**	**247**
D. Special purpose						
D.1 Capital investments[a]	9	17	7	7	9	9
D.2 Private-sector fundraising	–	–	41	45	54	56
D.3 Other	–	–	–	–	–	–
Subtotal	**9**	**17**	**48**	**52**	**64**	**65**
Institutional budget (A.2+B+C+D.1)	**279**	**287**	**285**	**287**	**289**	**292**
Integrated budget (A+B+C+D)	**3 661**	**3 959**	**3 829**	**3 835**	**3 885**	**3 927**
Closing balance of resources	**1 849**	**1 918**	**1 631**	**1 271**	**889**	**490**

[a] Amounts reflect use of other resources cost recovery to fund management and capital investments.

Table 6
UNICEF planned financial estimates: trust funds (procurement services activities)
(in millions of United States dollars)

			Plan		
	Actual 2015	*Estimate 2016*	*2017*	*2018*	*2019*
1. Opening balance	414	459	680	727	754
2. Receipts	1 789	1 808	1 745	1 787	1 787
3. Disbursements	1 745	1 587	1 697	1 760	1 779
4. Closing balance	459	680	727	754	763

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Private Fundraising and Partnerships: financial report for the year ended 31 December 2015

Summary

This document presents the financial and non-financial results achieved by the UNICEF Private Fundraising and Partnerships (PFP) Division, together with the National Committees for UNICEF and UNICEF country offices that generated resources from the private sector, for the year ended 31 December 2015.

Total private sector revenue for the year was $1.34 billion, of which $530 million was regular resources and $814 million was other resources. After deducting PFP expenses ($114 million) and the licensing costs for cards and products ($1.1 million), the net private sector surplus was $1.23 billion. This was $110 million (10 per cent) more than the total planned target of $1.12 billion, and $78 million (7 per cent) more than the $1.15 billion generated in 2014.

Among the non-financial achievements of PFP in 2015 were: expanded engagement with the private and public sector on child rights advocacy and education; the promotion of a change in business practices through the Children's Rights and Business Principles; and the development of innovative partnerships for programme implementation and humanitarian action. These achievements were facilitated by working at scale through industry-wide approaches, global conferences and multi-stakeholder platforms; piloting new partnership models; coordination at global and country level to facilitate a holistic approach to working with businesses; and providing guidance for National Committee advocacy and child rights education.

* E/ICEF/2016/13.

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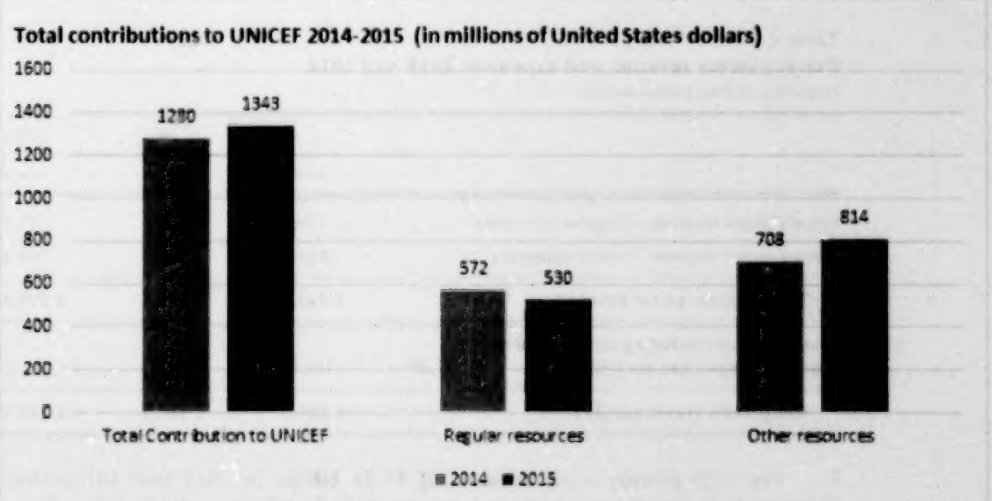
In addition, the Division effectively reacted to multiple humanitarian crises throughout the year. The business and philanthropic communities contributed generously to humanitarian response and relief efforts, enabling UNICEF to reach the most disadvantaged. One of the many emergencies to which PFP contributed was the migrant and refugee crisis in Europe. Both the National Committees and UNICEF country offices were affected and united behind the integrated response by UNICEF. Country office capacities and surge mechanisms as well as the advocacy, communication and fundraising activities of the National Committees were critical to the success of the organization's endeavours.

Overview of the 2015 results

1. The Private Fundraising and Partnerships (PFP) Division aims to achieve results for children by maximizing private fundraising and advocacy carried out by UNICEF around the world. To carry out this mission, PFP coordinates fundraising activities and non-fundraising partnerships with the private sector in 34 National Committees and 21 UNICEF country offices that have structured private sector fundraising activities. In addition, PFP manages strategic relationships with the National Committees for UNICEF and implements strategies in child rights advocacy, communication and brand positioning in National Committee countries through a range of partnerships, including with the media, corporations, civil society and young people.

2. In 2015, total private sector revenue from fundraising and from licensing agreements for sales of cards and products in 34 National Committees and 54 country offices was $1.34 billion, exceeding the revenue projection of $1.25 billion and the UNICEF Private Fundraising and Partnerships Plan 2014-2017 target of $1.22 billion. Of the $1.34 billion raised in 2015, regular resources (RR) contributions represented $530 million, while $814 million was delivered in other resources (OR) contributions. Contributions to OR included $607 million in other resources (regular) and $206.7 million in other resources (emergency). The growth in other resources (emergency) was due mainly to revenue raised for the 2015 earthquake in Nepal and the continuing crisis in the Syrian Arab Republic.



3. After deducting PFP expenses totalling $114 million, National Committee direct marketing and sales expenses of $1.1 million and exchange losses $0.3 million, the net private sector surplus was $1.23 billion. This was $110 million (10 per cent) more than the approved budget of $1.12 billion.

Table 1
Summary of private fundraising and partnerships results, 2015

Summary of private fundraising and partnerships (PFP) results (in millions of United States dollars)	*Total private FR-RR*	*Cards and products expenses*	*Other PFP expenses*	*Total RR*	*National Committees private FR-OR*	*Country offices and other countries' private FR-OR*	*Total private FR-OR*	*Grand total*
Private sector revenue	521	9		530	649	165	814	1 343
National Committee sales expenses		(1.1)		(1.1)				(1.1)
Cost of sales — PFP special purpose		(0)		(0)				(0)
PFP expenses — Special purpose		(2.3)	(94.3)	(97)				(97)
PFP expenses — Management costs			(14.3)	(14)				(14)
PFP expenses — Development effectiveness			(3.2)	(3)				(3)
Net PFP surplus	**521**	**5**	**(112)**	**414**	**649**	**165**	**814**	**1 228**

FR — fundraising
RR — regular resources
OR — other resources
* Due to rounding, the totals may differ slightly from the sum of the column.

4. The net private sector surplus of $1.23 billion compares to the 2015 approved budget and 2014 actuals, as shown in table 2 that follows.

Table 2
Private sector revenue and expenses: 2015 and 2014
(in millions of United States dollars)

	2015		*2014*
	Actual	*Budget*	*Actual*
Private sector revenue — regular resources	529.5	650.5	571.5
Private sector revenue — other resources	813.7	602.0	708.4
Total private sector revenue	**1 343.2**	**1 252.5**	**1 279.9**
Total expenses (including sales expenses of the National Committees for UNICEF)	(115.5)	(134.7)	(130.6)
Net private sector surplus	**1 227.7**	**1 117.8**	**1 149.3**

5. The total private sector revenue of $1.34 billion in 2015 was $91 million (7 per cent) higher than the budgeted amount of $1.25 billion, and 29 million (2 per cent) more than the revised budget of $1.31 billion. This favourable variance was primarily as a result of an increase of $212 million (35 per cent) in the private sector fundraising contributions of OR of $814 million compared with the $602 million budgeted for 2015. This was partly offset by the $121 million (19 per cent) decrease in RR from the total budgeted revenue of $651 million.

6. Private sector RR were undermined by significant exchange rate fluctuations. Due to adverse exchange rates, the actual private sector revenue of $1.34 billion in

2015 was negatively affected by approximately $235 million compared with forecasted amounts. If exchange rates had remained constant to the exchange rates used in the approved budget for 2015 (May 2014), private sector revenue would have reached $1.58 billion in 2015. Donors were very responsive to the UNICEF call for support of major emergencies during the year, as seen in the increase in donations for other resources (emergency). The $110 million (10 per cent) increase in the net private sector surplus of $1.23 billion compared to the 2015 budget of $1.12 billion was driven by a $212 million (35 per cent) increase in the OR net surplus and offset by a decrease in the net private sector surplus from RR, which, at $414 million, was $102 million (20 per cent) lower than the $516 million budgeted for 2015.

Private sector fundraising contributions — regular resources and other resources

7. Total contributions from private sector fundraising in 2015 (after deducting National Committee expenses) were $1.33 billion compared with $1.24 billion budgeted for 2015, resulting in an overall positive variance of $103 million (8 per cent), and of $29 million (2 per cent) when compared to the revised budget of $1.31 billion. This was the net result of lower private sector fundraising of RR ($521 million compared to the budgeted amount of $630 million); and higher performance in private sector fundraising of OR ($814 million compared with the budgeted amount of $602 million and $708 million raised in 2014).

8. Activities geared towards increasing RR were sustained during 2015, in spite of the lower than expected fundraising performance of RR due to the negative impact of exchange rates. This was evident as the recruitment of committed donors continued to be positive, with the total number of regular monthly givers (pledge donors) increasing to 4.3 million in 2015 from 4 million in 2014 (a 7 per cent increase). Donor-retention activities were intensified with the increased financial and human resources investment in pledge donor management.

9. The Division wishes to take note of the significant contributions from the Bill & Melinda Gates Foundation ($111 million), the Rotary International Foundation ($60 million), the Carlos Slim Foundation ($40 million) and the IKEA Foundation ($19 million) in 2015.

10. As noted earlier, the fundraising result for OR of $814 million was $212 million (35 per cent) higher than the 2015 budget of $602 million. This was largely due to continued strong growth in revenue from foundations in Argentina, the Gulf, Mexico, Sweden and the United States of America, and positive donor response to the UNICEF humanitarian assistance appeals for the Nepal and Syrian Arab Republic emergencies. The Division takes note and is most grateful for this support.

11. The National Committees, together with PFP, have expanded and renewed more than 20 existing multi-country partnerships, representing a total committed revenue of $100 million in 2015. This includes renewal of the partnership with Procter & Gamble on the elimination of maternal and newborn tetanus; the partnership with Unilever on water, sanitation and hygiene; the partnership with ING to help adolescents around the world to maximize their potential; and a successful global holiday campaign with H&M Hennes & Mauritz AB that has generated significant revenue for programmes in Myanmar.

12. In 2015, UNICEF and Starwood Hotels & Resorts celebrated 20 years of the Check Out for Children® partnership. UNICEF also celebrated three 10-year partnerships: with the Procter & Gamble Pampers brand, Gucci and ING.

13. Further major initiatives and partnerships were developed with ARM Limited, the Cartier Charitable Foundation, the La Caixa Foundation, the LEGO Foundation and LEGO Group, the LINE Plus Corporation, Louis Vuitton and the Philips Foundation. These partnerships support the work of UNICEF for children across a range of programme areas, including providing quality early learning through play, supporting children in humanitarian crises and enabling innovations for children.

Revenue from cards and products and from licensing

14. In 2015, revenue from cards and products was recorded during the first quarter after a few National Committees reported their final sales from the 2014 PFP supplied cards and products. Gross revenue (including other sales revenue and licensing) declined from $43 million in 2014 to $8.8 million in 2015 (a decrease of 79 per cent). The decrease is consistent with the phasing out of the in-house cards and products business in 2014 but was exacerbated by the strengthening of the United States dollar against the euro. The RR contribution from the sale of cards and products by the National Committees that continued with cards and products operations decreased as a direct consequence of adjusting to a new business model.

Table 3
Cards and products revenue
(in millions of United States dollars)

				Increase decrease			
				2015 actual vs. budget		*2015 vs. 2014*	
	2015 Actual	*2015 Budget*	*2014 Actual*	*$*	*%*	*$*	*%*
Revenue from cards and products and from licensing	8.8	17.1	42.7	-8.3	-48.5	-33.9	-79.4
Total	**8.8**	**17.1**	**42.7**	**-8.3**	**-48.5**	**-33.9**	**-79.4**

Table 4
Net revenue from licensing, and from cards and products
(in millions of United States dollars)

							Variance (%)	
	2015			*2014*			*2015 Actual vs budget*	*2015 vs. 2014 Actual*
Cards and products sales	*Actual*	*%*	*Budget*	*%*	*Actual*	*%*		
Gross revenue	8.8	100	17.1	100	42.7	100	-48.5	-79.4
less licensing expenses of the National Committees	1.1	13.0	2.6	15.2	11.2	26.2	-56.0	-89.8
Net revenue	**7.7**	**87.0**	**14.5**	**84.8**	**31.5**	**73.8**	**-47.2**	**-75.7**

15. The net revenue ratio from National Committees' sales of cards and product increased from 73.8 per cent in 2014 to 87.0 per cent in 2015 (compared to 84.8 per cent budgeted for 2015), despite the decrease in gross revenue from cards and products. The increase in the net revenue ratio demonstrates that the licensing business model for cards and products is more cost effective than the in-house model that was discontinued in 2014.

Private sector fundraising in programme countries

16. Private sector fundraising in middle- and high-income countries through UNICEF country offices continued to grow in 2015, reaching $195 million in gross revenue — 26 per cent higher than in 2014. This growth rate shows the significant potential that exists in these markets. Even higher growth rates would have been achieved had it not been for the negative impact of currency devaluation in many markets. Whereas the majority of the funds are used for programme implementation within the country office that raised the funds, $30 million was contributed to global RR. UNICEF country offices in Argentina, Malaysia and Thailand made multi-million-dollar contributions to global RR, and Brazil and Uruguay each contributed more than $1 million. Eighteen of the 21 country offices with structured private sector fundraising activities contributed to global RR in 2015.

17. Gross revenue in country offices with structured private sector fundraising operations reached $102 million in Latin America, thanks to rapidly growing revenue from monthly givers (pledge) and funding from foundations. In Asia, 8 per cent growth was achieved since 2014, with gross revenue reaching $61.5 million. Gross revenue in the Gulf reached $21.3 million, and was largely comprised of foundation revenue. In the Central and Eastern Europe and the Commonwealth of Independent States region, $6.1 million was raised; while $1.2 million was raised in the African regions. Revenue from country offices without fully structured private sector fundraising operations totalled $3.1 million.

18. The strategies pursued by country offices were in line with the UNICEF Private Fundraising and Partnerships Plan 2014-2017, with a primary focus on monthly pledge giving, complemented by corporate partnerships, relationships with major foundations and individual philanthropists (principally in the Gulf), and emergency appeals. Country offices continued to invest in acquiring new pledge donors, with most markets growing between 20 per cent and 60 per cent in this area. By the end of the year, country offices had 997,341 pledge donors — a key development, given the predictability and unrestricted nature of the funding. In Argentina, for example, more than 234,600 pledge donors are now providing regular support to UNICEF. Many country offices launched public fundraising appeals and raised $13.1 million in emergency funds (largely for the 2015 earthquake in Nepal). This increased outreach allowed offices to strengthen existing relationships with donors and to acquire new donors.

19. To assist country offices with private sector fundraising, PFP guided several offices in developing long-term strategic private sector fundraising plans as part of the country programming process, to ensure an ambitious, long-term approach to fundraising development. To further strengthen private sector fundraising capacity in country offices, PFP conducted orientations for UNICEF country office Representatives who were new to offices with structured private sector fundraising. The Division also developed an online training programme for staff new to private

sector fundraising in UNICEF, which will allow newly recruited staff to quickly acquire the knowledge essential to support rapid revenue growth.

Other PFP revenue

20. There was an absence of significant bank interest and governmental and intergovernmental revenue attributable to the National Committees in 2015, which created an unfavourable variance against the budget of $3.5 million.

Development effectiveness costs

21. Development effectiveness costs consist of the expenses related to the National Committee Relations function, which is responsible for managing the strategic relationship between UNICEF and its National Committees. The actual expenditure of $3.2 million was $0.8 million (21 per cent) below the budget and $0.4 million lower than the costs incurred in 2014. This underspending was due to savings that resulted from post-related costs ($481,000) and savings in operational expenses ($207,000).

Management costs

22. Management costs are comprised of the PFP Director's Office and Strategic Planning function (Director's Office) of $1.1 million and Finance and Operations costs of $13.2 million. The total costs for this category were $14.3 million compared to budgeted costs of $16.8 million, showing savings of $2.5 million (15 per cent) and in line with 2014 expenses. The costs for the Director's Office and Strategic Planning were $300,000 below the budget of $1.4 million, with an expenditure of $1.1 million, which is equal to actual costs for 2014. The Finance and Operations costs of $13.2 million were $2.2 million below the approved budget (14 per cent) and were equal to actual costs for 2014. The savings in Finance and Operations were related to savings in post-related costs of $749,000 due to unfilled vacancies, and savings of $466,000 in operating expenses. Furthermore, Finance and Operations contributed $592,000 to cost savings on operating expenses following an internal project to reduce costs during the year.

Special purpose costs

23. Special purpose costs are comprised of fundraising ($18 million), country office support ($4 million), country office direct fundraising ($1 million), marketing and communication ($7 million), procurement ($1 million), cards and products ($2 million), private sector engagement ($6 million) and investment funds ($58 million). In 2015, total costs were $97 million, showing savings of $15 million (13.3 per cent) compared with a budget of $111 million, and $4 million (4 per cent) less than the costs for 2014. Recognizing the overall impact of adverse exchange rates on the organization, PFP proposed to apply a revised and reduced ceiling to its budget allotment by prioritizing activities and investments with the most direct impact on its objectives. In fundraising, there were savings of $3.8 million against the approved budget of $21 million. These savings were made up of $0.5 million savings in post costs, $0.9 million savings in non-post costs and $2.4 million in contributions to global savings. Country office support and country office direct fundraising costs showed savings of $3.9 million out of a budget of $9 million, comprised of $0.8 million of savings in post costs, $0.7 million savings in non-post

costs and a $2.5 million contribution to global savings. Costs related to closure activities of the cards and products operations were lower than expected and resulted in a saving of $6 million compared with an approved budget of $7.9 million, out of which $5.5 million was allocated to global savings and $0.5 million related to non-post savings. There were savings of $0.2 million in procurement, consisting of savings related to unfilled posts. Marketing and communication spent its full budget allocation of $6.9 million. These savings were partly offset by overspending in private sector engagement of $0.4 million in the approved budget of $5.2 million.

Investment funds expenses

24. To enable PFP to expand fundraising and to more effectively mobilize resources for children through private fundraising activities, in its decision 2015/6 of February 2015, the Executive Board approved a budget of $60 million for investment fund allocations in 2015. These funds aim to increase the capacity of the National Committees and UNICEF country offices to build a broader support base for raising funds from individuals and the corporate sector, and to test and evaluate new income-generating initiatives, focusing primarily on projects that offer high rates of return. In 2015, the total expenses for investment funds were $58.4 million, compared with $50 million in 2014. The funds were invested in 127 projects for fundraising activities in 42 countries, whereas in 2014, investments were made in 89 projects for fundraising activities in 40 countries. The investments in 2015 are projected to generate a gross return of more than $3.50 for every $1 invested over a 36-month period. This is similar to the projected return on the 2014 investments, and is anticipated to return $220.2 million in gross revenue over the next three years. All investment funds were used on fundraising development programmes, with $56.5 million (more than 94 per cent) allocated to projects that directly support pledge acquisition. The balance was allocated to digital, pledge donor retention and other activities to convert cash/one-off donors to regular/pledge donors. The pledge acquisition media included television advertising, face-to-face donor recruitment and door to-door and telephone marketing. Pledge generated $619 million in gross contributions in 2015 compared to actual contributions of $604 million in 2014, making pledge the most significant private sector revenue stream for UNICEF and the largest single source of RR. The total number of pledge donors increased to 4.3 million in 2015 and donor retention improved across the private sector fundraising markets.

Private sector engagement and advocacy

25. The second pillar of the UNICEF Private Fundraising and Partnerships Plan 2014-2017 is to expand strategic engagement with the private sector and to advance children's rights through advocacy across all sectors of society. In 2015, PFP (a) influenced the behaviour of business through focusing on selected industries (extractives; information and communications technology (ICT); travel and tourism; apparel/garment; and food and beverage); (b) strengthened country programmes through strategic engagement with businesses; and (c) supported the National Committees in their advocacy efforts for children's rights.

26. An important achievement towards these goals was the development of a framework to ensure that the approach to public and private sector engagement is comprehensive, results-oriented and accountable and demonstrative of real change.

The Division worked throughout the year to build capacity among the National Committees, country offices and UNICEF headquarters to undertake an integrated engagement with public and private sector actors to promote children's rights.

27. Certain developments, such as the sharp rise in the number of refugee and migrant children entering Europe, challenged the way UNICEF works in high-income countries. This led to a new way of responding to the crisis, including an agreement between UNICEF and the Government of Germany to support refugee and migrant children entering the country. Other countries in Europe involved in the response included Austria, Greece, Hungary, Italy and Slovenia, and the National Committees in the region became actively involved in promoting the rights of all children in their countries in the context of the crisis.

28. The work of UNICEF on the Children's Rights and Business Principles agenda has shifted from the development of standards and tools to a focus on implementation. In 2015, PFP increased engagement with business and industry to 66 companies and 10 industry or sustainability platforms and associations, and strengthened outreach to 17 Governments to promote actions related to children and business. A key focus was the development of an industry orientation.

29. For example, UNICEF partnered with industry associations such as the Groupe Speciale Mobile Association (GSMA) and the International Telecommunication Union to reach hundreds of ICT businesses, providing guidance for the industry to ensure children's online safety. Funding from the WeProtect initiative of the Government of the United Kingdom of Great Britain and Northern Ireland helped to expand this work to 17 country offices.

30. In 2015, many industry workstreams prioritized research on the child rights impact of their activities, and provided insights to develop a more comprehensive engagement with the following sectors:

(a) Travel and tourism: A pilot assessment was undertaken in Viet Nam by PFP, the country office, four corporate partners and four National Committees;

(b) Mining, oil and gas sectors: PFP finalized a pilot project to assess how companies in these sectors are managing their potential impact on children. The companies that participated in the pilot have integrated child rights considerations into their policies, impact assessment processes and management systems;

(c) The garment sector in Bangladesh and the tea production sector in India: studies in these sectors mapped the key effects of these global supply chains on children and women;

(d) Food and beverage sector: PFP supported research on the impact of marketing and advertising on children by the sector, including how marketing and advertising vary across Africa and Latin America.

31. Governments play an important role and have a duty to protect children and to advance responsible business practices. UNICEF, with PFP leadership, and partner organizations launched three practical guides for policymakers on General Comment No.16 of the Committee on the Rights of the Child (on State obligations regarding the impact of the business sector on children's rights), and successfully advocated for five Governments to make national public commitments to meet their children's rights and business obligations.

32. Building capacity with businesses, country offices and National Committees to roll out the Children's Rights and Business Principles agenda continued as a priority. The Division developed introductory and intermediate training modules on children's rights and business, which were piloted in Germany and India with the participation of more than 30 businesses. Training and bilateral support were provided to 34 country offices and 13 National Committees in priority markets, and contributions were provided to integrate child rights and business into the planning processes of the National Committees and country offices.

33. The Division provides the National Committees with guidance and technical support for their advocacy and child rights education activities. In 2015, PFP conducted a "training of trainers" to ensure methodological consistency of the approach towards advocacy. In the area of child rights education, PFP held a workshop on child participation and supported the World's Largest Lesson initiative to raise awareness of the Sustainable Development Goals in schools. The Division also published the report *Teaching and Learning about Child Rights: A study of implementation in 26 countries*. Research for the report, which explores child rights education in early childhood education as well as in primary and secondary schools in 26 countries with a National Committee presence, was commissioned by PFP and undertaken by Queen's University, Belfast. The report will help to set the baseline for monitoring the impact of child rights education efforts by UNICEF.

34. During the year, PFP worked with National Committees to conduct advocacy work in child rights priority areas, with an emphasis on children on the move (where PFP supported the engagement of the National Committees in the UNICEF response to the refugee and migrant crisis in Europe), the Sustainable Development Goals (where PFP supported the engagement of the National Committees to advocate for the inclusion of child rights) and the impact of climate change on children's rights (including promoting the participation of children in activities related to the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21). The Division also carried out a stocktaking exercise to support the implementation of the Child-Friendly Cities Initiative in the National Committees. In addition, PFP continued to support the involvement of the National Committees in activities related to monitoring the implementation of the Convention on the Rights of the Child. This involved, in most cases, the release of specific reports on child rights in National Committee countries and facilitating child participation in hearings with the Committee on the Rights of the Child.

35. UNICEF favours partnerships with businesses that provide innovation and information technology that address development challenges or that assist UNICEF to deliver programmes that reach the most marginalized children. In 2015, the Division supported the development of these innovation partnerships, including with ARM Holdings and Philips. The Division also contributed to the Global Innovations for Children and Youth Summit, co-hosted by the Government of Finland and UNICEF.

36. The Division supported corporate engagement, with a focus on opportunities that address business goals as well as the needs of society. A 2015 highlight was the launch of a partnership with the LEGO Foundation and the LEGO Group, including an $8.5 million contribution from LEGO to promote quality learning through play and a commitment to protect and support children's rights in its business activities, as well as joint advocacy for early childhood development.

37. The Division initiated a study on the role of businesses in advancing children's rights in emergency preparedness, response and recovery. The study will culminate in 2016 with the release of a practical guide for businesses on how to respect and make positive contributions to children's rights, and recommendations for UNICEF on engaging with businesses in emergencies.

38. The Division coordinates closely with the National Committees and country offices to build their capacity and share knowledge and experience on engaging in multi-stakeholder platforms and events. The Division strengthened relationships with key global platforms and facilitated engagement opportunities for UNICEF in platforms that included the World Economic Forum; the Clinton Global Initiative; the United Nations Private Sector Forum; and global conferences that included extensive business participation (i.e., COP 21).

39. Non-financial private sector engagement by UNICEF country offices continued to expand in 2015, including in Africa, where regional and continental partnerships drove both revenue and non-financial engagement and helped to position UNICEF as a private sector partner on the continent.

Basis of preparation of the Private Fundraising and Partnerships financial report

40. All revenue and expenses figures in this report are stated on an accrual basis.

Table 5

Revenue and expenses

(in millions of United States dollars)

	2015 Actual			2015 Budget			2014 Actual			Variance			
										2015 actual vs. 2015 approved		2015 actual vs. 2014 actual	
	RR	OR	Total	RR	OR	Total	RR	OR	Total	Amount	%	Amount	%
Private sector revenue													
Revenue from greeting cards and products	8.8		8.8	17.1		17.1	42.7		42.7	-8.3	-48.5	(33.9)	-79
Private sector fundraising contributions	520.6	813.7	1 334.3	629.9	602.0	1 231.9	521.7	708.4	1 230.1	102.4	8.3	104.2	8
Other revenue	0.0		0.0	3.5		3.5	7.1		7.1	-3.5	-98.6	(7.1)	-99
Total private sector revenue	**529.5**	**813.7**	**1 343.2**	**650.5**	**602.0**	**1 252.5**	**571.5**	**708.4**	**1 279.9**	**90.7**	**7.2**	**63.3**	**5**
Private Fundraising and Partnerships (PFP) expenses													
A. Development effectiveness costs:	**3.2**		**3.2**	**4.0**		**4.0**	**3.6**		**3.6**	**-0.8**	-20.5	(0.4)	-11
National Committee Relations	3.2		3.2	4.0		4.0	3.6		3.6	-0.8	-20.5	(0.4)	-11
B. Management costs:	**14.3**		**14.3**	**16.8**		**16.8**	**14.3**		**14.3**	**-2.5**	-15.0	(0.0)	**0**
Director's Office and Strategic Planning	1.1		1.1	1.4		1.4	1.1		1.1	-0.3	-22.8	(0.0)	-2
Finance and Operations	13.2		13.2	15.4		15.4	13.2		13.2	-2.2	-14.3	(0.0)	0
C. Special purpose costs:	**96.5**		**96.5**	**111.3**		**111.3**	**100.7**		**100.7**	**-14.8**	-13.3	(4.2)	**-4**
Fundraising	17.6		17.6	21.4		21.4	16.6		16.6	-3.8	-17.6	1.0	6
Country Office Support*	3.7		3.7	5.1		5.1	4.0		4.0	-1.4	-27.2	(0.3)	-7
Country Office Direct Fundraising Costs	1.1		1.1	3.8		3.8	2.0		2.0	-2.7	-69.9	(0.9)	-43
Marketing and Communication	6.9		6.9	6.9		6.9	5.8		5.8	0.0	-0.5	1.1	19
Procurement	0.8		0.8	1.0		1.0	1.0		1.0	-0.2	-18.7	(0.2)	-19
Cards and Products	2.3		2.3	7.9		7.9	17.3		17.3	-5.6	-71.1	(15.0)	-87
Private Sector Engagement	5.6		5.6	5.2		5.2	4.3		4.3	0.4	8.6	1.4	32
Investment Funds	58.4		58.4	60.0		60.0	49.8		49.8	-1.6	-2.6	8.7	17
Total PFP expenses	**114.0**		**114.0**	**132.1**		**132.1**	**118.6**		**118.6**	**-18.1**	**-13.7**	**(4.6)**	**-4**
Sales expenses of National Committees	1.1		1.1	2.6		2.6	11.2		11.2	-1.5	-56.0	(10.0)	-90
PFP foreign exchange gains (losses)	-0.3		-0.3	0.0		0.0	-0.8		-0.8	-0.3	0.0	0.5	-60
Net private sector surplus	**414.0**	**813.7**	**1 227.7**	**515.8**	**602.0**	**1 117.8**	**440.9**	**708.4**	**1 149.3**	**109.9**	**9.8**	**78.3**	**7**

* The 2014 expenses have been restated.

OR — other resources.
RR — regular resources.
PFP — private fundraising and partnerships.